

DATED 10 September 1999

HAMELIN HOLDINGS LIMITED (1)
IAN VERNON WILLIAMSON (2)
CLIFFORD JAMES HAZEL (3)

AND

AAE HOLDINGS PLC (4)

AGREEMENT FOR SALE OF PATENT
APPLICATIONS

RICHARD SALEH & CO
DERBYSHIRE HOUSE
737A WILMSLOW ROAD
DIDSBURY
MANCHESTER M20 6WF

C:\AGREEMENT\1992 AAE

THIS AGREEMENT is made on
BETWEEN:-

10

September

1999

- (1) **HAMELIN HOLDINGS LIMITED** whose address is PO Box 3186 Abbots Building, Main Street, Road Town, Tortola, British Virgin Islands ("Hamelin"); and
- (2) **IAN VERNON WILLIAMSON** of 27 Pownall Avenue, Bramhall, Stockport SK7 2HE ("Mr Williamson"); and
- (3) **CLIFFORD JAMES HAZEL** of Keveral Mill, Hossenford, Cornwall PL11 3HW ("Mr Hazel"); and
- (4) **AAE HOLDINGS PLC** (No 3659794) whose registered office is at Unit 11 Bridge Road Business Park, Haywards Heath, West Sussex RH16 1TX ("AAE").

WHEREAS:

- (A) Mr Williamson is a co-inventor with Mr Hazel in respect of (i) the International Patent Application under number PCT/GB97/02763 and National Patent Applications deriving therefrom details of which are set forth in Part A of the Schedule hereof which were transferred into the name of Hamelin on 4th February 1998 ("the Patent Applications"), and (ii) the United Kingdom Patent Application under number 9827592.8 of which details are set forth in Part B of the Schedule ("the UK Application") which was transferred into the name of Hamelin on September 1999. For the purposes of this Agreement the Patent Applications and the UK Application shall be known together as "the Applications".
- (B) Hamelin is now the beneficial owner and registered proprietor of the Applications.
- (C) The Patent Applications are subject to:-
 - (i) a Charge dated 10 September 1999 from Hamelin to Anthony Dean-Smith ("the Charge");
 - (ii) a Patent and Know-How Licence dated 18th December 1998 between Hamelin, Mr. Williamson and Mr. Hazel, and AAE Technologies Limited ("the Licence").
- (D) The parties have agreed that the Applications should be transferred by Hamelin to AAE for the consideration and on the terms and subject to the conditions set out in this Agreement.

NOW IT IS HEREBY AGREED as follows:-

1. Assignment

- 1.1 For the consideration referred to in clause 1.2 and otherwise subject to the terms and conditions of this Agreement Hamelin shall sell and AAE shall purchase, and Mr Williamson and Mr Hazel will procure that Hamelin shall transfer to AAE, subject to the Charge and the Licence, but otherwise with full title guarantee all the rights, title and interest in and to the Applications and all the rights, powers, privileges and immunities arising or accrued therefrom (including (without limitation) the right to sue for any infringement of the Applications prior to the date of this Agreement) together with all the rights, title and interest in the inventions claimed in the Applications (the "Inventions") and the right to apply for prosecute and obtain patent or similar protection in respect of the Inventions (together with any right to claim priority from the Applications) in any and all countries of the world with the intent that the grant of any patents or similar protection in respect thereof shall be in the name of and shall vest in AAE free from any liens, charges and encumbrances
- 1.2 The consideration for the sale of the Applications shall be the sums specified in the forms of assignment or transfer thereof signed by or on behalf of the parties by way of identification prior to the execution of this Agreement.
- 1.3 As consideration for the obligations of Mr. Williamson and Mr. Hazel under this Agreement, AAE shall forthwith upon the execution of this Agreement execute and deliver unconditionally to each of Mr. Williamson and Mr. Hazel (subject only to the execution thereof by the other parties thereto) a Share Option Agreement in the respective forms signed by or on behalf of the parties by way of identification prior to the execution of this Agreement.
- 1.4 The sale and purchase of the Applications shall be completed forthwith upon the execution of this Agreement when:-
- 1.4.1 Hamelin shall execute and Mr. Williamson and Mr. Hazel shall procure that Hamelin shall deliver to AAE duly executed assignments or transfers in respect of the Applications in the forms referred to in clause 1.2; and
- 1.4.2 AAE shall execute and deliver to each of Mr. Williamson and Mr. Hazel on behalf of the other parties thereto a Share Option Agreement in the respective forms referred to in clause 1.3 on the basis specified in that clause.

1.4.3 Hamelin, Mr. Williamson and Mr. Hazel shall consent, and AAE shall procure that AAE Technologies Limited shall consent, to the immediate termination of the Licence on terms that none of the parties thereto shall have further obligation thereunder.

1.5 With effect from completion of the sale and purchase of the Applications AAE shall indemnify and keep indemnified each of Mr. Williamson and Mr. Hazel against any costs, claims liability and expenses arising under or in connection with the Charge.

1.6 The provisions of this Agreement shall continue in full force and effect notwithstanding completion.

2. Further Assurance

2.1 In the event that the validity or ownership of any of the Applications and/or of any patent granted pursuant to any of the Applications is challenged on any point upon which Mr Williamson, Mr Hazel and Hamelin has advice or has or can procure information which may assist in meeting and defeating or reducing the effect of such challenge each of Mr Williamson, Mr Hazel and Hamelin agree and/or undertake to supply such advice and/or to supply or procure the supply of such information without unreasonable delay.

2.2 Each of Mr Williamson, Mr Hazel and AAE shall, and shall use all reasonable endeavours to procure that any third party shall, execute such further documents and do such further acts and things (including, where necessary, prosecuting any of the Applications in the name of Hamelin until grant) as Hamelin may reasonably request from time to time by way of further assurance of the rights assigned under this Assignment.

2.3 AAE shall reimburse Mr Williamson and Mr Hazel in full on demand for all travel, accommodation and other costs and expenses properly incurred by either of them pursuant to the provisions of clauses 2.1 and 2.2 and where either of Mr Williamson and Mr Hazel is required to attend any meeting, hearing or other event for the purposes of those provisions AAE shall pay to Mr Williamson or Mr Hazel as the case may be on receipt of a written invoice a daily attendance fee of £500 (exclusive of Value Added Tax) or such higher amount as may be agreed from time to time.

3. Warranties

3.1 Mr Williamson, Mr Hazel and Hamelin jointly and severally warrant to AAE as follows:-

- 3.1.1 That to the best of their actual knowledge no third party is infringing any of the Applications;
- 3.1.2 That to the best of their actual knowledge there is no invention, letters patent or other intellectual property right which would render any of the Applications invalid or otherwise unenforceable;
- 3.1.3 That to the best of their actual knowledge the exploitation of the inventions contained in the Applications does not and will not result in the infringement of any intellectual property rights belonging to any third party
- 3.1.4 That to the best of their actual knowledge nothing has been done by Mr Williamson, Mr Hazel and AAE which would render the Applications invalid or would affect the grant of any patent.

4. Costs

4.1 AAE shall be responsible for and pay on demand the legal and other costs of Mr. Williamson and Mr. Hazel in connection with the negotiation, preparation, execution and completion of this Agreement.

5. Law

5.1 This Assignment shall be governed by and construed in accordance with English law and the parties hereby submit to the non-exclusive jurisdiction of the English Courts.

IN WITNESS whereof the parties have caused this Assignment to be executed the day and year first above written.

The Schedule
The Patent Applications
Part A

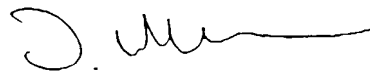
<u>International Application No</u>	<u>National Application No</u>	<u>Applicant</u>	<u>Title</u>	<u>Filing Date</u>	<u>Country</u>
PCT/GB97/ 02763	PCT/GB97/027	Hamelin Holdings Ltd	AAE in Fuel Composition	20/10/97	Brazil
PCT/GB97/ 02763	2,267,864	Hamelin Holdings Ltd	AAE in Fuel Composition	20/10/97	Canada
PCT/GB97/ 02763	97198892.7	Hamelin Holdings Ltd	AAE in Fuel Composition	20/10/97	China
PCT/GB97/ 02763	19782068.9	Hamelin Holdings Ltd	AAE in Fuel Composition	20/10/97	Germany
PCT/GB97/ 02763	519064/ 1998	Hamelin Holdings Ltd	AAE in Fuel Composition	20/10/97	Japan
PCT/GB97/ 02763	9901364-1	Hamelin Holdings Ltd	AAE in Fuel Composition	20/10/97	Sweden
PCT/GB97/ 02763	718/99	Hamelin Holdings Ltd	AAE in Fuel Composition	20/10/97	Switzerland
PCT/GB97/ 02763	9905763.0	Hamelin Holdings Ltd	AAE in Fuel Composition	20/10/97	UK
PCT/GB97/ 02763	09/294.827	Hamelin Holdings Ltd	AAE in Fuel Composition	20/10/97	USA

Part B

<u>National Application No</u>	<u>Applicant</u>	<u>Title</u>	<u>Filing Date</u>	<u>Country</u>
9827592.8	Hamelin Holdings Ltd	Fuels in low Reid Vapour Pressure	15/12/98	UK

SIGNED by IAN VERNON
WILLIAMSON in the presence of:

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)



Witness: S. H. Bloke
Wilmow Road, Manchester
SOLING

CHARLES M HEWETSON AS ATTORNEY FOR

SIGNED by CLIFFORD JAMES HAZEL
in the presence of:

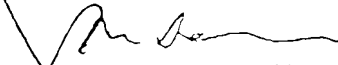
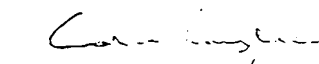
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Witness: D. L. Marcher
Beaufort House
15 St Bartholomew Street
London EC3A 7EE

SIGNED by a duly authorised signatory
for and on behalf of HAMELIN
HOLDINGS LIMITED

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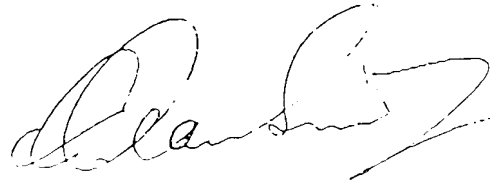

J. M. SCOTT WARREN
DIRECTOR

C. H. TAYLOR
DIRECTOR

in the presence of:

Witness: See above
Thames Valley House
Turner St. St. Helier,
Jersey J. J. JE2 4UJ.

SIGNED by a duly authorised signatory
for and on behalf of AAE HOLDINGS
PLC

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)
)



in the presence of:

Witness: S. H. Bloke
Wilmow Road Manchester
SOLING

SIGNED and DELIVERED as a DEED
by IAN VERNON WILLIAMSON
in the presence of:-

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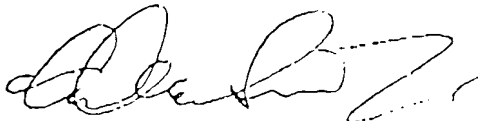


Witness Signature: S.H. Bloem
Name: STEPHEN HOWARD BLOEM
Address: Wilmslow Road
Manchester
Occupation: Solicitor

EXECUTED and DELIVERED as a DEED
by AAE HOLDINGS PLC acting by

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Director:



Director/Secretary: S.H. Bloem